

Meeting	Audit Committee	Date	07/12/2015
Agenda item	6	Time	10 Minutes
Proactive publication	No	Internal publication	Yes
Title	<b>Outstanding audit recommendations</b>		
Presenter	Peter Bloomfield		
ICO Plan aim	6. An efficient ICO well prepared for the future		
Information rights aim	10. The public confident in information rights law as necessary, serving the public interest, effective in practice and properly enforced.		
Issue	<p>The register of outstanding audit actions (internal and external) is presented for information and discussion.</p> <p>Recommendations from the two internal audit reports coming to this meeting are included.</p>		
Decision	There are no decisions.		
Engagement treatment	None		
Financial impact	Not relevant.		
Risks	Not relevant.		



## **Audit recommendations follow up 2015/16**

This paper lists outstanding audit recommendations (internal and external) and reports on current status.

Please note that internal audit actions which are reported as closed will be moved to part 2 of the register after the Audit Committee meeting to allow a better focus on those which remain outstanding.

Where new dates have been agreed by the Committee these are shown in the "forecast due date" column. Actions are subsequently treated as being **on track** until and if these new dates are missed.

Audit recommendations that have been actioned before the audit reports came to Audit Committee are not included as the committee will have had visibility of the recommendation and its clearance at the meeting.

Part 1 – Internal audit recommendations

Part 2 – Cleared internal audit recommendations

Part 3 – External audit recommendations

## Performance in clearing internal audit recommendations

Date of AC	Actions added since last meeting	Actions cleared since last meeting	Total outstanding		High risk actions outstanding		Medium risk actions outstanding		Low risk actions outstanding	
			On track	Late	On track	Late	On track	Late	On track	Late
07/09/15	10	0	11	0	0	0	3	0	6	0
07/12/15	7	6	9	3	0	0	4	2	5	1

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Corporate and financial planning	14-15	4	Strategic outcomes	Low	Deputy Commissioner DP	The ICO should review its Information Rights Strategy to confirm that the ten strategic outcomes remain relevant and aligned to the environment within which the ICO operates in 2015 and beyond.	<p>The Information Rights Strategy has not been reviewed since 2011 and whilst it is not substantially out of date it ought to be reviewed.</p> <p>However the ICO will have a new Commissioner by the summer 2016 and a new Deputy Commissioner sometime afterwards and (importantly) should by then know more about the impact of the new EU data protection regulation.</p> <p>These factors mean that the strategy will not be reviewed until late 2016 at the earliest.</p>	31/12/16		
Staff recruitment	15/16	1	Recruitment strategy	Medium	Head of OD	To build on the objectives set out in the recruitment and selection policy and procedures, Organisational Development should develop a recruitment strategy.	The ICO will develop a people strategy setting out the approach to managing, developing and supporting the ICO's people. One strand will be the development of a recruitment and selection strategy to elaborate on the recruitment and selection policy and setting out known recruitment plans for the coming 12-18 months.	People strategy 31/10/15	31/12/15	
								Recruitment strategy 31/03/16		

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff recruitment	15/16	2	Reviewing and authorising vacancies	Low	Head of OD	<p>When evaluating replacement posts the Head of Department should submit a business case detailing the need for the post as part of the sign off of the recruitment request by the Head of OD.</p> <p>When submitting posts for evaluation a min, max and average wage cost and all other supporting costs should be provided to ET to enable them to make a fully informed decision as to the maximum cost of the role.</p>	<p>Staff requisition forms to be updated to require Departmental Heads to elaborate on the need for a post and confirm if alternative options were considered.</p> <p>A new procedure for the creation and implementation of new posts to be developed which includes the job grading process. This will require the cost information.</p>	31/03/16		
Staff recruitment	15/16	3	Screening and pre-shortlisting	Low	Head of OD	<p>To reduce the number of candidates at shortlisting, OD should implement a screening step into the recruitment process.</p> <p>And to improve the efficiency of the shortlisting policy, it should be reviewed. PDF documents should be used to remove candidates' personal information from experience statements and CV details, and electronic storage and collation should be used instead of physical copies being printed for each panel member.</p>	<p>Work with managers to develop a process to screen out obviously unsuitable applications before submitting them to shortlisting managers - where high numbers of applications are received.</p> <p>Recruitment and selection procedures to be amend accordingly.</p>	31/03/16		

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff recruitment	15/16	4	Managing reference and pre-employment checks	Low	Head of OD	To provide assurance that each recruitment is proceeding in a timely manner and all documentation has been requested (or received) the team should complete each section of the "right to work" spreadsheet once the relevant step has been concluded.	The team will be reminded to complete all aspects of the spreadsheet and management to complete periodic audits to ensure the spreadsheet is completed.	30/09/15		31/10/15
Staff recruitment	15/16	5	Interview training and guidance	Medium	Head of OD	One to one recruitment and selection training should include a specific section on competency based interviewing covering how candidate answers should be assessed and how scoring may be effectively supported by evidence should a review of interview notes or the selection process be required.	One to one briefing sessions to include competency based interviews and guidance on assessing the quality of responses.	30/09/15		30/09/15
Staff recruitment	15/16	6	Improvement	Improvement	Head of OD	To provide additional rigour to the recruitment training as part of each one to one training session each trainee should be formally assessed by the training provider to confirm that they have reached an acceptable standard.	One to one briefing sessions will give managers the opportunity to undertake a practice interview with the training provider or another individual.	30/09/15		30/09/15

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### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff recruitment	15/16	7	Refresher training	Low	Head of OD	OD should review the policy for recruitment and training selection with L and D and develop mandatory refresher training for all relevant staff.	Mandatory refresher training for all those involved in recruitment is unlikely to be a proportionate response. HR team members involved in recruitment panels can remind panel members of their obligations, processes and legal issues.  But places on recruitment training sessions will be available to experienced recruiters and managers to be updated on changes to law affecting recruitment.	30/09/15		30/09/15
Staff recruitment	15/16	8	Management information	Medium	Head of OD	A recruitment and selection dashboard should be developed for reporting to Leadership Group and Management Board.	Information will be collated quarterly for Management Board and Leadership Group.  <b>[For January MB]</b>	31/10/15	25/01/16	
Staff recruitment	15/16	9	Monitoring recruitment and retention lessons learnt	Low	Head of OD	As part of monitoring retention rates OD should review each person leaving who completes less than one year of service. This review should make reference to the recruitment and selection process that resulted in their appointment including an objective assessment of individual recruiting managers to identify any additional training needed.	Feedback to be obtained from recruiting managers and the team managers to gauge the effectiveness of those recruited.  Report back to recruiting panels for consideration in future exercises.  <b>[To use recent large scale recruitment of case officers as the basis for this work]</b>	31/12/15	31/03/16	



## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff recruitment	15/16	10	Recruitment satisfaction surveys	Improvement	Head of OD	<p>The team should develop a customer satisfaction survey that seeks applicant feedback on timeliness, the effectiveness of the communications process and the interview process.</p> <p>On completion of a recruitment cycle this survey should be sent to the successful (and if appropriate unsuccessful) candidates who attended interviews.</p> <p>Results should be incorporated into the recruitment dashboard.</p>	We will explore this suggestion as part of our review of the recruitment process as a whole.	31/03/16		
Finance System benefits realisation	15/16	1	Project governance	Medium	Head of Customer and Business Services	<p>The ICO should translate all benefits set out in project initiation documents into specific delivery requirements that should then be formally tracked by the project board. Any benefits or requirements that are not to be delivered should be removed in a controlled manner with the agreement from the Project Board and project sponsor.</p> <p>In addition, project closure documentation should clearly indicate the delivery</p>	Our project management methodology (PM) requires the development of a Product Backlog to both articulate and track all project requirements and deliverables. Our PM methodology does not refer to a PID by name, but we agree the requirements that need to be tracked and are satisfied that we have the mechanisms in place (in the form of our Product Backlog and associated processes) to do that.	23/11/15	23/11/15	23/11/15

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
						status of each requirement or benefit set out in the original project brief or initiation document. If removed, the reason for removal/de-scoping and formal agreement should be documented.	It is recognised however that this was not done in this case. The recommendation is therefore agreed and no further action is required.			
Finance System benefits realisation	15/16	2	Lessons learnt	Low	Head of Customer and Business Services	<p>In addition to project management factors and technical requirements, future project closure reviews should also take into account how effective the project has been from an end user perspective and if the project delivered to time and cost.</p> <p>The ICO should also develop and integrate into the project management methodology a process for the communication of good practice, developing methodologies and lessons learned across individuals and teams involved in project delivery.</p>	We are satisfied that the positive outcomes from the finance project were understood by those involved and shared with all stakeholders and interested parties. We have however reviewed our lessons learnt process to ensure things are recorded more clearly.	23/11/15	23/11/15	23/11/15

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff performance management	15/16	1	Scope and responsibility of the moderation panel	Low	Head of Organisational Development	ICO should review the scope of the Moderation Panel and the continued need for it to meet formally at year end. Then if ICO still considers the Panel adds value, the Panel name and Terms of Reference should be updated to reflect its new role and responsibilities.	The role of the Panel will be reviewed and updated in the next iteration of the PDR guidance.  Options include scrapping the panel as a "Not Effective" rating can only be awarded following formal performance management processes.	30/04/16		
Staff performance management	15/16	2	PDR guidance and management development	Medium	Head of Organisational Development	Taking into account the changes in the performance appraisal and development process, L&D should review and develop the guidance and support available for both staff and managers to include such areas as managing and developing poor performance and the coaching and development of staff and maximising potential.  To sit alongside the PDR process, L&D should also complete the development of the informal reward and recognition policy and procedure. This policy should then be presented to the Senior Leadership Team for agreement and release.	Managing Poor Performance processes to be reviewed as part of update of Resolution Policies.  A brief guide for managers on "recognising great performance" was published November 2015.  Access to coaching and mentoring is available to managers via L&D, and is being accessed. This can be emphasised via the manager peer network which has been established and is facilitated by L&D.  Managing Poor Performance training and guidance is part of the suite of training available for managers.	31/03/16		

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff performance management	15/16	3	PDR records and data	Medium	Head of Organisational Development	<p>To provide assurance on the effective operation of the PDR process, the Learning and Development team should maintain central control of PDR records. This should include:</p> <ul style="list-style-type: none"> <li>• Registration (date) of in year meetings and assessment markings;</li> <li>• Registration (date) and formal assessment marking at end of year;</li> <li>• Agreed completed PDR assessment form.</li> </ul> <p>To facilitate the process, L&amp;D should also send reminders to staff and line managers at key points in the appraisal process to remind them of their responsibilities.</p>	<p>PDR system only requires end of year markings to be recorded.</p> <p>Minfo functionality to be switched on to allow managers to update PDR records, including dates, assessment markings and automated reports created for staff and line managers.</p> <p>Until Minfo functionality is switched on, reminders to be provided to managers to ensure PDR records are submitted at year end.</p>	31/03/16		

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### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff performance management	15/16	4	Objective setting	Low	Head of Organisational Development	At the start of each reporting year Business Unit Managers should develop a standard SMART set of aims, objectives and measures for staff in their Units that directly support the unit's aims (and therefore ultimately the ICO strategy). Prior to these being rolled out to staff, these aims and objectives should be reviewed by L&D to provide assurance that in addition to the strategic fit, they are also consistent across the department.	<p>It is impractical to have a single set of SMART objectives for the business units to use. It is also impractical to require L&amp;D to sign these off before roll out.</p> <p>Heads of department will be reminded of need for their managers to create objectives that relate to the business plan and seek support from L&amp;D if they assistance with making them SMART.</p>	30/04/16		

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### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
Staff performance management	15/16	5	Management information and reporting	Medium	Head of Organisational Development	<p>As part of the control of PDR records, HR should collate and report management information on:</p> <ul style="list-style-type: none"> <li>• Total no. of PDRs completed at the end of the reporting year and their final mark;</li> <li>• Total no. of completed PDRs sent to HR for retention centrally;</li> <li>• Total no. of in year reviews completed and their marking;</li> <li>• Total no. of informal performance plans in operation;</li> <li>• No. of staff moving from an informal 'not effective', to 'effective' during the year (and vice versa);</li> <li>• Total no. of staff currently on formal performance improvement measures;</li> <li>• Overall performance statistics (what percentage of staff fall into each performance category) together with a comparison against expected target percentages for each category.</li> </ul>	<p>As part of the transition to Minfo based PDRs, we will ask the database suppliers to create auto reports providing this information to heads of departments and HR.</p> <p>We do not wish to impose forced distribution or targets for each performance category.</p>	30/04/16		

## Part 1

### Internal audit recommendations

Audit	Year	No	Title	Risk level	Owner	Recommendation	Response	Original due date	Forecast due date	Date cleared
						This information should be presented to the Senior Leadership Team on a quarterly basis so trends in performance (and assurance over PDR completion) can be ascertained.				





## Part 3

### External audit recommendations 13/14

Title	Area	Recommendation	Management Response	Status and date cleared	Notes
<b>2014/15</b>					
Management Accounts	Expenditure	Consider whether additional information on spending controls should be given to allow monitoring of spend against control totals.	<p>Following implementation of the new system, a formal month end process will be implemented which will involve variance analysis directly from each budget holder.</p> <p>Phase 2 of the new system will be the purchase requisition system which only allows appropriate sign off levels and alerts if a budget is over (or close to) budget. Work will commence in June/ July 2015.</p>	Cleared 01/11/15	<p>Original clearance date 31/07/15.</p> <p>A new month end process had already been implemented, including variance analysis. Spending controls information is included in monthly management accounts.</p> <p>The final element, the new purchase requisition system, was rolled out beginning of November.</p>

## Part 3

### External audit recommendations 13/14

Title	Area	Recommendation	Management Response	Status and date cleared	Notes
<b>2015/16</b>					
Contracts of employment	Payroll expenditure	The ICO should ensure that contracts of employment are up to date for all employees.	Up to date contracts are now in place.	Cleared 08/06/15	Cleared by date of June Audit Committee, 08/06/15.
Framework agreement	Expenditure	The ICO should ensure that the Framework agreement is updated as soon as possible.	The current framework agreement with the Ministry of Justice will be updated once the triennial review report is finalised. Any change will reflect the broad nature of the revised apportionment model.	Late	<p>[Redacted]</p> <p>In discussion with DCMS on 10 November it was agreed to amend the framework document as soon as possible after the spending review announcement on 25 November – as it would then be possible to include any new government spending restrictions as well as any existing or new DCMS spending or delegation restrictions.</p> <p>Realistically this means that the framework document might not be agreed till nearer to the end of the financial year.</p>
	Non-current assets	The asset registers should be reviewed to ensure that all assets recorded exist and are still owned by the ICO and also are currently in use.	This is agreed and the work is scheduled to be completed later in the financial year, in time for the end of year audit.	Outstanding.	Expected clearance date now 31/03/16.

## Part 3

### External audit recommendations 13/14

Title	Area	Recommendation	Management Response	Status and date cleared	Notes
		When items are purchased they should be recorded individually on the asset registers in order to aid identification (some items are currently entered as one lump sum).			

## **Part 3**

### **External audit recommendations 13/14**